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SUBJECT: SOUTHERN SERBIA: HIGH EXPECTATIONS, MISSED OPPORTUNITIES

REF: A) BELGRADE 745, B) BELGRADE 677

Summary  
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¶1. (SBU) By not including Serbs in local governments, Southern Serbia's ethnic Albanian political leaders missed an opportunity to exercise political inclusiveness and set a course for stability in the multi-ethnic, economically depressed, politically volatile region. In Bujanovac and Presevo municipalities, Albanian political parties formed mono-ethnic local governments. The town of Medvedja, whose long-time Serb Mayor forged a multi-ethnic governing coalition, reportedly has come under fire from Belgrade politicians for doing so. Many in the region question the utility of the Southern Serbia Coordinating Body, charged with promoting multi-ethnic harmony. Leaders of all political persuasions say that the overall situation is stable, but the economy requires an immediate infusion of investment to curb youth flight by creating jobs in tourism, agriculture, and industry. Exclusion of Serbs from the local governments likely creates an additional obstacle to efforts to attract attention and economic support from Belgrade, especially given the uncertain future of the Coordinating Body. End Summary.

Background: Halimi Letters  
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¶2. (U) During a July 14-16 visit to the Southern Serbian municipalities of Vranje, Bujanovac, Presevo and Medvedja, we met with the newly constituted municipal governments, local politicians and representatives of the Government Coordinating Body for South Serbia (CB).

¶3. (SBU) Albanian leaders in Southern Serbia consistently have expressed dissatisfaction with the level of attention and resources the Government of Serbia (GOS) invests in their communities. In a June 18 letter to President Boris Tadic, Riza Halimi, leader of the Presevo Valley-based Party of Democratic Action (PVD) and the only ethnic Albanian MP, called on the new national government to demonstrate its commitment to European values and its interest in South Serbia through substantial reorganization of the CB and inclusion of ethnic Albanians in state institutions in South Serbia, especially the police and the courts.

¶4. (SBU) In a June 30 letter to the U.S. and UK Ambassadors and the OSCE Head of Mission, Halimi expressed disappointment that Tadic had not responded to his June 18 letter. Halimi interpreted the lack of a response as demonstration of the new government's disinterest in integrating Albanians in South Serbia into power structures. Halimi stated that the lack of GOS support would directly reduce the likelihood of multi-ethnic governments in Bujanovac and Presevo.

Bujanovac: "Technical Coalition" on the Table  
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¶5. (SBU) Three ethnic Albanian parties -- Halimi's PVD, Jonuz

Musliu's Movement for Democratic Progress (LPD), and the Democratic Union of Albanians (UDSh) -- formed the local government in Bujanovac on July 13 (Ref A), the deadline for avoiding new elections.

¶16. (SBU) Mayor-designate Shaip Kamberi (PVD) told us on July 14 that the all-Albanian coalition purposely "held open" three positions for ethnic Serbs - deputy assembly head and two spots on the city council. Kamberi expressed hope that the (Serb) Democratic Party (DS) would accept these positions and agree to form a "technical coalition." If talks with DS should fail, the coalition would approach a Serb citizens' group with a similar offer. Kamberi said that the insistence of the citizens' group leader, former Bujanovac Mayor Stojanca Arsic, on allocating budget resources on the basis of ethnic composition of the community (40% to Serb areas of the municipality, 10% to Roma) likely would impede discussions.

¶17. (SBU) Arsic expressed his disappointment and disgust with developments in Bujanovac in a July 15 meeting. He blamed inter-Albanian wrangling for the formation of a mono-ethnic government instead of a "historic agreement" to create a government of Serbs, Albanians, and Roma. He nevertheless deemed the elections partially successful because they had reduced the influence of the Serbian Radical Party (SRS), which had lost three of their twelve seats in the local assembly.

Presevo: Best Friends Forever?

¶18. (SBU) Presevo's final-hour coalition agreement, uniting Halimi's PVD with rival Ragmi Mustafa's Democratic Party of Albanians (PDSH), raised eyebrows. In separate meetings on July 15, Halimi portrayed the decision as a natural step for the two largest parties in the

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municipality, while Mustafa called it the product of good will. In stark contrast, Skender Destani, whose Democratic Union of the Valley (BDL) unsuccessfully negotiated with Halimi to form the local government, predicted that the coalition would last for a maximum of three to six months due to the two leaders' diametrically opposed positions on cooperating with state institutions such as the CB. By July 16, rumors that members of Halimi's party were not happy with the agreement with Mustafa circulated in the region.

¶19. (SBU) CB Presevo representative Sima Gazikalovic called the coalition "political nonsense." He had stronger words for Riza Halimi, whom he criticized for his role in forming the mono-ethnic governments. Gazikalovic lamented that "vanity had overcome rationality" and he interpreted the local government formation and Halimi's decision to withhold his support for the federal government (Ref B) as signs of political immaturity that would significantly complicate efforts by the Presevo Valley Albanians to find a sympathetic ear in Belgrade.

Medvedja: Strange Bedfellows

¶10. (SBU) Medvedja, a multi-ethnic, depressed town in the hills near the Kosovo border, achieved what its larger neighbor to the south, Presevo, failed to do: form a multi-ethnic governing coalition. Medvedja Mayor Slobodan Draskovic, who has been in power since 1999, ran in the May 11 local elections on a list that combined his citizens' group and the DS. This list's victory brought DS into the local government for the first time. As in the past, Draskovic formed a ruling coalition with Halimi's PVD. Two SRS deputies, Draskovic's former students, voted for the government slate, including the ethnic Albanian candidate for Deputy Mayor; the SRS national leadership rebuked the deputies for doing so, according to Draskovic.

¶11. (SBU) During a July 16 meeting, Draskovic said that he was under significant pressure from G17 Plus to reconfigure the coalition to mirror that of the national government. Local G17 Plus leadership, which Draskovic said consisted of former members of the Socialist Party of Serbia, had made clear that they would not tolerate Albanian participation in local government. The mayor claimed that

G17 Plus Minister of the National Investment Plan Verica Kalanovic had stated publicly that no funds would flow to municipalities in which her party was not part of the government. (Comment: Although post has not been able to confirm the statement independently, such an approach would be consistent with G17 Plus's efforts to consolidate its standing by focusing political and economic attention on those municipalities in which the party is in power. End Comment.)

#### Future of the Coordinating Body

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¶12. (SBU) All Albanian interlocutors insisted that rampant unemployment and lack of investment required the intervention of the central government. All also voiced disenchantment with the GOS's commitment to regional development. Mustafa and Musliu cited the diminished stature of the CB as the prime example of GOS neglect of the region. Sima Gazikalovic noted that the CB budget had fallen by almost half in 2007-2008, he no longer had direct access to government ministers, and the CB had not been able to implement its 2007-2010 economic development strategy.

¶13. (SBU) Kamberi, Musliu, and Mustafa, Albanian political leaders of quite different stripes, all expressed support for Riza Halimi's letter to President Tadic, and agreed that the status quo was not acceptable. Elaborating, Kamberi said that the Albanians did not seek national ministerial appointments, but did strongly look for Albanian employment in state institutions at the local levels, corresponding with the ethnic makeup of each municipality.

¶14. (SBU) Halimi told the DCM on July 21 that Rasim Ljajic, the current overtaxed head of the CB, intended to propose through DS Vice President and former Justice Minister Dragan Petrovic that the government name Minister of State Administration and Self Government Milan Markovic to succeed him. Halimi characterized this potential development positively as it would ensure that a cabinet member and a DS member (read: someone with the necessary political clout to revive the body) would oversee the CB.

#### Comment

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¶15. (SBU) The complaints voiced by Albanian political leaders about the GOS' waning interest in South Serbia ring true, especially given Belgrade's preoccupation with national politics and Kosovo in recent months. However, exclusion of Serbs from the local governments in Bujanovac and Presevo is of questionable strategic value. The decision yielded tenuous governing coalitions while poking local

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Serbs and Belgrade in the eye at the very time when the Albanians are seeking increased engagement. While the region is now stable, we will urge the GOS to reinvigorate the CB and demonstrate a commitment to economic development to ensure that the calm continues. End Comment.

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